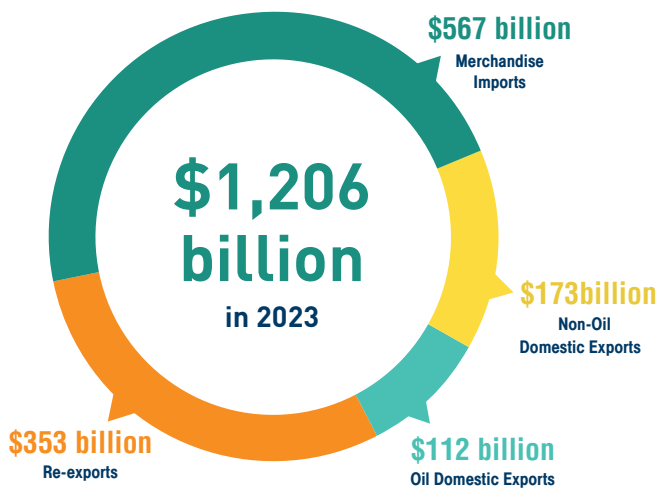


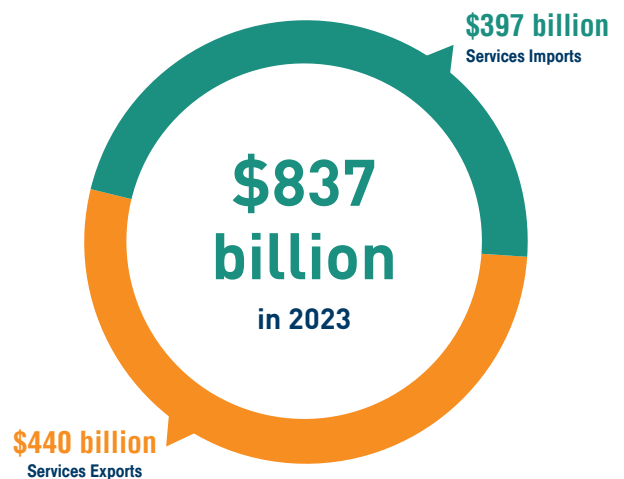
Chapter 4

INTERNATIONAL TRADE

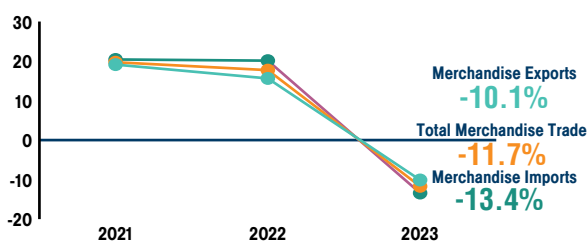
TOTAL MERCHANDISE TRADE AMOUNTED TO...



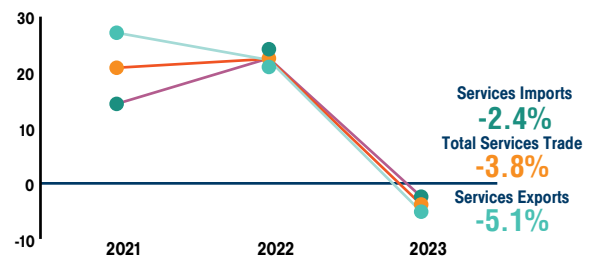
TOTAL SERVICES TRADE AMOUNTED TO...



GROWTH IN MERCHANDISE TRADE



GROWTH IN SERVICES TRADE



COMPONENTS OF MERCHANDISE EXPORTS (YoY Growth)



THE DECREASE IN SERVICES EXPORTS WAS LED BY...



OVERVIEW

Singapore's total merchandise trade declined by 2.1 per cent year-on-year in the fourth quarter of 2023, easing from the 16.5 per cent contraction in the previous quarter. At the same time, total services trade decreased by 2.8 per cent year-on-year, extending the 6.9 per cent decline in the third quarter.

For the whole of 2023, Singapore's total merchandise trade contracted by 11.7 per cent to \$1.2 trillion, down from \$1.4 trillion in 2022. Oil trade declined by 16.3 per cent amidst lower oil prices compared to a year ago, while non-oil trade decreased by 10.5 per cent. Merchandise exports and imports declined by 10.1 per cent and 13.4 per cent respectively.

Total services trade fell by 3.8 per cent to \$837 billion in 2023, down from \$871 billion in 2022. Services exports and imports decreased by 5.1 per cent and 2.4 per cent respectively in 2023.

MERCHANDISE TRADE

Merchandise Exports

Total merchandise exports rose by 0.2 per cent year-on-year in the fourth quarter, a turnaround from the 15.6 per cent decrease in the previous quarter (Exhibit 4.1). The increase was due to the growth in re-exports, which outweighed the decline in domestic exports. Domestic exports fell by 1.7 per cent, easing from the 22.6 per cent contraction in the third quarter. Meanwhile, re-exports rose by 1.8 per cent, improving from the 9.5 per cent decrease in the previous quarter.

Exhibit 4.1: Growth Rates of Total Merchandise Trade, Merchandise Exports and Merchandise Imports (In Nominal Terms)

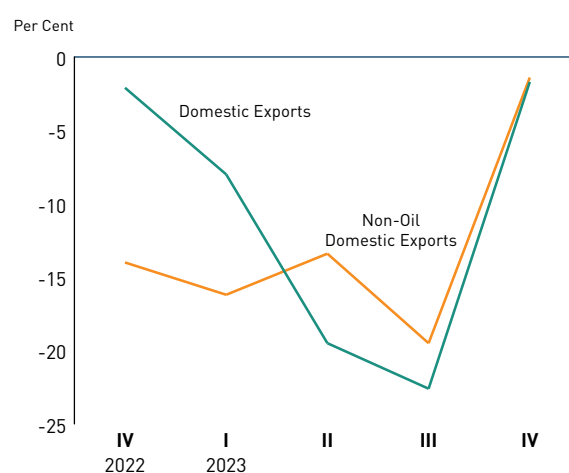
| | 2022 | 2023 | | | | 2023 |
|--------------------------------|-------------|-------|-------|-------|------|--------------|
| | | I | II | III | IV | |
| Total Merchandise Trade | 17.7 | -7.9 | -18.8 | -16.5 | -2.1 | -11.7 |
| Merchandise Exports | 15.6 | -6.5 | -16.9 | -15.6 | 0.2 | -10.1 |
| Domestic Exports | 18.2 | -8.0 | -19.5 | -22.6 | -1.7 | -13.5 |
| Oil | 52.4 | 8.5 | -28.1 | -26.9 | -2.1 | -14.2 |
| Non-Oil | 3.0 | -16.2 | -13.4 | -19.5 | -1.4 | -13.1 |
| Re-Exports | 13.5 | -5.3 | -14.6 | -9.5 | 1.8 | -7.1 |
| Merchandise Imports | 20.1 | -9.4 | -20.8 | -17.4 | -4.7 | -13.4 |
| Oil | 43.9 | -7.0 | -34.4 | -25.0 | -4.1 | -19.0 |
| Non-oil | 14.6 | -10.0 | -16.6 | -15.2 | -4.8 | -11.9 |

For the whole of 2023, total merchandise exports declined by 10.1 per cent, a reversal from the 15.6 per cent increase recorded in 2022.

Non-Oil Domestic Exports

Non-oil domestic exports (NODX) declined by 1.4 per cent year-on-year in the fourth quarter, easing from the 19.5 per cent contraction in the preceding quarter (Exhibit 4.2). The decrease in NODX was due to a drop in electronics NODX, even as non-electronics NODX rose.

Exhibit 4.2: Changes in Domestic Exports

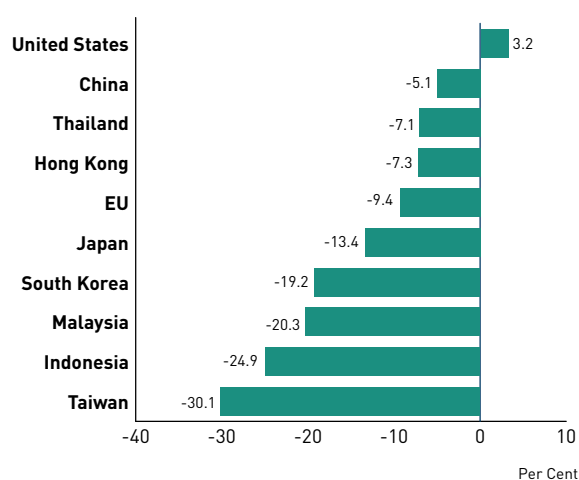


Electronics NODX declined by 9.9 per cent in the fourth quarter, moderating from the 20.1 per cent contraction in the previous quarter. The fall in electronics NODX was primarily due to a decline in the domestic exports of ICs, PCs and diodes & transistors. Non-electronics NODX rose by 1.1 per cent, rebounding from the 19.3 per cent decline in the previous quarter. The growth in non-electronics NODX was due to higher domestic exports of pharmaceuticals, non-monetary gold and miscellaneous manufactured articles.

For the full year, NODX contracted by 13.1 per cent, a reversal from the 3.0 per cent growth in 2022. The decline in NODX was due to decreased shipments of both electronics (-19.7 per cent) and non-electronics (-11.1 per cent) products.

The top 10 NODX markets accounted for 80.3 per cent of Singapore's total NODX in 2023. Singapore's NODX to all the top 10 markets declined in 2023, except for the US (Exhibit 4.3). The biggest contributors to the decline in NODX in 2023 were Taiwan (-30.1 per cent), Malaysia (-20.3 per cent) and Indonesia (-24.9 per cent).

Exhibit 4.3: Growth Rates of Non-Oil Domestic Exports to Top 10 Markets in 2023



NODX to Taiwan contracted mainly because of a decline in the exports of specialised machinery, ICs and measuring instruments. NODX to Malaysia decreased on the back of a decline in the exports of ICs, specialised machinery and primary chemicals. Meanwhile, non-monetary gold, petrochemicals and telecommunications equipment contributed the most to the decline in NODX to Indonesia. On the other hand, NODX to the US grew due to higher exports of pharmaceuticals, miscellaneous manufactured articles and telecommunications equipment.

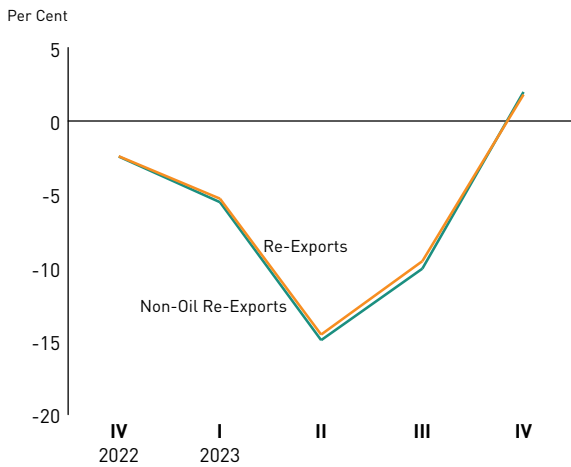
Oil Domestic Exports

Oil domestic exports decreased by 2.1 per cent year-on-year in the fourth quarter, easing from the 26.9 per cent contraction in the previous quarter. The decline in oil domestic exports was led by lower exports to economies such as the EU 27, Hong Kong and Marshall Islands. Overall, the decrease in oil domestic exports reflected lower oil prices compared to the same quarter a year ago. In volume terms, oil domestic exports grew by 1.2 per cent, after the 16.6 per cent decline in the third quarter.

For the full year, oil domestic exports declined by 14.2 per cent, deteriorating sharply from the 52.4 per cent expansion in 2022. By economies, it was driven mainly by lower exports to Malaysia, Australia and the EU 27. The decrease in oil domestic exports was on account of lower oil prices compared to a year ago. In volume terms, overall oil domestic exports rose by 2.3 per cent in 2023, extending the 1.7 per cent increase in 2022.

Non-Oil Re-Exports

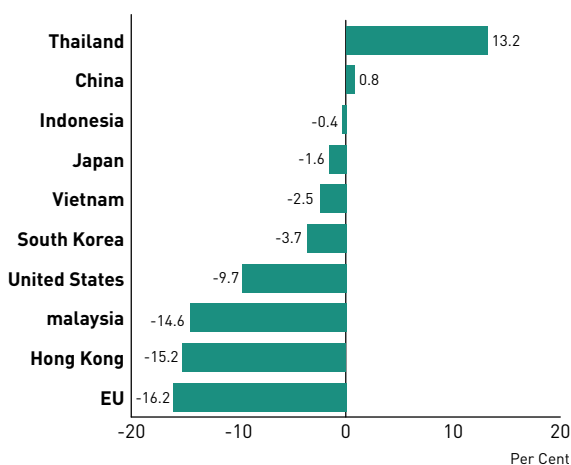
Non-oil re-exports (NORX) grew by 2.0 per cent year-on-year in the fourth quarter, a reversal from the 10.1 per cent decrease in the preceding quarter (Exhibit 4.4). The growth in NORX could be attributed to an increase in both electronics and non-electronics NORX. Electronics NORX grew by 2.8 per cent, a rebound from the 10.3 per cent contraction in the third quarter, as the re-exports of ICs, other computer peripherals and telecommunications equipment grew. Meanwhile, non-electronics NORX rose by 1.1 per cent, improving from the 9.8 per cent decrease in the preceding quarter. The increase in non-electronic NORX was mainly due to the higher re-exports of non-electric engines & motors, specialised machinery and pharmaceuticals.

Exhibit 4.4: Changes in Re-Exports

For the whole of 2023, NORX declined by 7.3 per cent, a reversal from the 13.4 per cent growth in 2022. The decline in NORX was due to a decrease in both electronics NORX (-11.6 per cent) and non-electronics NORX (-2.4 per cent).

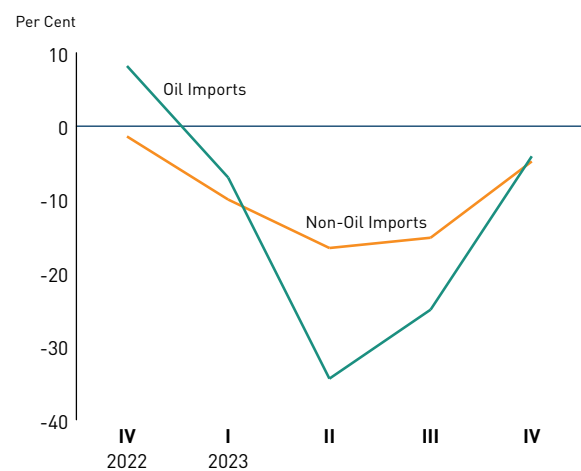
NORX to all the top 10 NORX markets declined in 2023 (Exhibit 4.5), except for Thailand and China. NORX to Hong Kong decreased on the back of a decline in the re-exports of ICs, diodes & transistors and electrical machinery. Meanwhile, lower shipments of ICs, non-monetary gold and telecommunications equipment led to a decline in NORX to Malaysia.

Re-exports to the EU 27 decreased on account of a decline in shipments of ICs, non-electric engines & motors and motorcycles.

Exhibit 4.5: Growth Rates of Non-Oil Re-Exports to Top 10 Markets in 2023

Merchandise Imports

Non-oil imports registered a decline of 4.8 per cent year-on-year in the fourth quarter, easing from the 15.2 per cent contraction in the preceding quarter (Exhibit 4.6). The fall in non-oil imports was due to a decline in both electronics (-8.3 per cent) and non-electronics (-2.4 per cent) imports. In turn, the decline in electronics imports was due to a decrease in the imports of ICs, other computer peripherals and parts of PCs, whereas the decline in non-electronics imports was due to a drop in the imports of specialised machinery, electrical machinery and works of art.

Exhibit 4.6: Changes in Merchandise Imports

Oil imports declined by 4.1 per cent year-on-year in the fourth quarter, easing from the 25.0 per cent contraction in the preceding quarter. The decrease in oil imports was due partly to lower oil prices. In volume terms, oil imports declined by 5.4 per cent, moderating from the 19.2 per cent contraction in the third quarter.

For the full year of 2023, non-oil imports declined by 11.9 per cent, reversing the 14.6 per cent growth in 2022. Meanwhile, oil imports contracted by 19.0 per cent, a sharp pullback from the 43.9 per cent expansion in 2022.

SERVICES TRADE

Services Exports

Services exports fell by 3.9 per cent year-on-year in the fourth quarter, extending the 7.4 per cent contraction in the preceding quarter (Exhibit 4.7). The decrease in services exports was primarily driven by the exports of transport services, which shrank by 19.7 per cent. By contrast, the exports of travel services, other business services and financial services rose by 43.0 per cent, 2.7 per cent and 6.5 per cent respectively.

For the full year, services exports fell by 5.1 per cent, a reversal from the 22.2 per cent increase in 2022. The decrease in services exports was attributable mainly to the exports of transport services, which fell by 23.9 per cent. This was partially offset by increases in the exports of travel services (80.0 per cent), other business services (2.6 per cent) and financial services (4.7 per cent).

Exhibit 4.7: Growth Rates of Total Services Trade, Services Exports and Services Imports (In Nominal Terms)

| | 2022 | 2023 | | | | 2023 |
|-----------------------------|------|------|------|------|------|-------------|
| | | I | II | III | IV | |
| Total Services Trade | 22.4 | -0.1 | -5.4 | -6.9 | -2.8 | -3.8 |
| Services Exports | 22.2 | -1.4 | -7.5 | -7.4 | -3.9 | -5.1 |
| Services Imports | 22.5 | 1.4 | -3.1 | -6.3 | -1.5 | -2.4 |

Services Imports

Services imports fell by 1.5 per cent year-on-year in the fourth quarter, extending the 6.3 per cent decrease in the previous quarter. The contraction in services imports was led by the imports of transport services, which fell by 15.7 per cent. Conversely, the imports of travel services (40.6 per cent), other business services (2.3 per cent) and financial services (5.5 per cent) rose.

For the whole of 2023, services imports contracted by 2.4 per cent, a reversal from the 22.5 per cent increase in 2022. The contraction in services imports was mainly due to the imports of transport services, which fell by 19.2 per cent. By contrast, the imports of travel services (64.0 per cent), other business services (3.1 per cent) and financial services (7.6 per cent) rose.